

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

Dated: April 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") of financial condition and results of operations of Galane Gold Ltd. ("Galane" or the "Company") was prepared by management as at April 28, 2022. Throughout this MD&A, unless otherwise specified, "Galane", "the Company", "we", "us" or "our" refer to Galane Gold Ltd. and its subsidiaries and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2021 (the "Financial Statements").

The Financial Statements have been prepared by management in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS"). All amounts are expressed in U.S. dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the Financial Statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company as the date of and for the periods presented in the Financial Statements.

The Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to: the Company's dependence on two mineral projects; gold price volatility; risks associated with the conduct of the Company's mining activities in Botswana, South Africa, and New Mexico; regulatory, consent or permitting delays; risks relating to the Company's exploration, development and mining activities being situated in Botswana, South Africa, and New Mexico; risks relating to reliance on the Company's management team and outside contractors; the Company's inability to obtain insurance to cover all risks, on a commercially reasonable basis or at all; currency fluctuations; risks regarding the failure to generate sufficient cash flow from operations; risks arising from the Company's fair value estimates with respect to the carrying amount of mineral interests; mining tax regimes; risks regarding mineral resources and reserves; the Company's need to replace reserves depleted by production; risks and unknowns inherent in all mining projects, including the inaccuracy of reserves and resources, metallurgical recoveries and capital and operating costs of such projects; contests over title to properties, particularly title to undeveloped properties; risks and expenses related to reclamation costs and related liabilities; lack of infrastructure; employee relations, labour unrest or unavailability; health risks in Africa; supply chain disruptions, major health issues, pandemics, and

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

COVID-19; the Company's interactions with surrounding communities and artisanal miners; extensive laws and regulations governing the environment, health and safety; the Company's ability to successfully integrate acquired assets; risks related to the acquisition of the Summit Assets (as such term is defined below); risks related to the disposition of the Mupane Property (as such term is defined below) risks related to ramping-up production; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves; development of the Company's exploration properties into commercially viable mines; risks related to climate change; risks related to information security; risk of using derivative instruments including credit risk, market liquidity risk and unrealized mark-to-market risk; stock market volatility; conflicts of interest among certain directors and officers; lack of dividends; lack of liquidity for shareholders of the Company; risks related to the market perception of junior gold companies; litigation risk; and difficulties in bringing actions and enforcing judgments for foreign investors. See "Risk Factors" in the Company's annual information form for the year ended December 31, 2021, a copy of which is available on the Company's SEDAR profile at www.sedar.com. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding gold prices, business and operating strategies, and the Company's ability to operate on a profitable basis.

MINERAL RESERVES AND RESOURCES

Information of a technical and scientific nature that forms the basis of the disclosure in the MD&A has been approved by Kevin Crossling Pr. Sci. Nat., MAusIMM., Business Development Consultant for Galane Gold, and a "qualified person" as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

All mineral reserves and mineral resources have been estimated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 43-101. All mineral resources are reported exclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no guarantee that any of the mineral resources disclosed in the MD&A will be converted to mineral reserves. There is also no guarantee that any of the inferred mineral resources will be upgraded to measured or indicated mineral resources. Information on data verification performed on the mineral properties mentioned in this MD&A that are considered to be material mineral properties to the Company are contained in the Company's most recent annual information form and the current technical report for each of those properties, all available on the Company's SEDAR profile at www.sedar.com.

GALANE GOLD LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

CORPORATE OVERVIEW

The Company's principal business activities are the exploration for, development of, and operation of gold mining properties. The Company operates through its wholly-owned subsidiary, Galane Gold Mines Ltd. ("GGM"), which in turn operates three assets: (a) a producing mine which also has the rights to certain mineral exploration tenements (the producing mine and mineral exploration tenements collectively, the "Mupane Property") located in the Republic of Botswana ("Botswana") through subsidiaries located in Botswana, (b) a producing mine which also has the rights to certain mineral exploration tenements (the mine and mineral exploration tenements collectively, the "Galaxy Property") located in the Republic of South Africa ("South Africa") through subsidiaries located in South Africa; and (c) a mine and processing infrastructure located in the United States of America (the "Summit Property") that is currently in care and maintenance while a restart plan is finalised. The common shares in the capital of the Company (the "common shares") have been listed for trading on the TSX Venture Exchange (the "Exchange") under the symbol "GG" since September 6, 2011 and trade on the OTCQB in the United States under the trading symbol "GGGOF".

OUTLOOK

During the three months ended December 31, 2021 ("Q4 2021"), the board of directors (the "Board") and management of Galane, as part of its continuing review of the strategy of the Company going forward, concluded that the sale of the Mupane Property to its local management team aligns with the Company's long-term goal to be a low-cost producer that can generate positive cash flows through the various cycles of the gold market. With the near completion of the mining of the Tau ore body and the transition to the mining of Golden Eagle, management of the Company determined that there is a need to restructure operations at the Mupane Property both operationally and financially. Upon review by the Board, it was decided that the Company's resources will be better utilised by increasing production at Galaxy, and restarting operations at the Summit Property. A binding sales agreement was signed for the disposition of the Mupane Property during the three months ended March 31, 2022 ("Q1 2022"). The completion of the disposition is pending certain conditions precedent being met.

Following declaration of commercial production at the Galaxy Property on October 1, 2021, the Company has guided annual production for 2022 at between 15,500 and 18,500 payable ounces of gold. Management is currently working on plans to execute phase 2 of the Galaxy development plan which will see annualized production ramp up to between 24,000 and 27,000 payable ounces of gold through the addition of new mining equipment and additional face workings. Management has started a comprehensive review of options to increase production through the exploitation of the 21 other mineralised bodies at the Galaxy Property.

Work continues on the restart plan for the Summit Property. Management have completed a re-survey of the underground mine and have updated the mine plans accordingly. Work continues and it is expected that a preliminary economic assessment will be released during the three months ended June 30, 2022.

SUMMIT MINE ACQUISITION

On May 19, 2021, the Company completed the acquisition (the "Summit Acquisition"), through a wholly-owned subsidiary, of the Summit Mine (the "Summit Mine") and the infrastructure constituting the Banner crush, mill and flotation plant in New Mexico, located 57 miles from the Summit Mine (together with the Summit Mine, the "Summit Assets") from Pyramid Peak Mining, LLC, a wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman, LP (the "Seller").

The aggregate consideration paid to the Seller for the Summit Assets at the closing of the Summit Acquisition was cash consideration of \$6.0 million paid on closing of the Summit Acquisition, 16 million common shares at a deemed issuance price of C\$0.22 per common share (and a fair value of C\$0.24 for accounting purposes) and warrants to purchase up to 16 million common shares, exercisable at an exercise price of C\$0.30 per common share for a period of three years from closing (the "Summit Acquisition Warrants"). The Seller is entitled to further cash consideration of \$8.2 million to be paid

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

upon commencement of production at the Summit Mine.

In connection with the Summit Acquisition, the Company also completed a private placement (the "2021 Private Placement") of 44,028,700 subscription receipts of the Company ("Subscription Receipts") at a price of C\$0.22 per Subscription Receipt for aggregate proceeds of C\$9,686,314. Canaccord Genuity Corp. acted as lead agent in connection with the 2021 Private Placement, on behalf of a syndicate of agents, including Research Capital Corporation (collectively, the "Agents").

On closing of the Summit Acquisition, each Subscription Receipt holder received one common share and one common share purchase warrant of the Company (the "2021 Warrant"). Each 2021 Warrant entitles the holder thereof to purchase one common share at a price of C\$0.30, for a period of three years following the closing of the Summit Acquisition.

In connection with the 2021 Private Placement, the Agents received a cash commission of C\$670,692 and 3,048,602 broker warrants ("2021 Broker Warrants"). Each 2021 Broker Warrant entitles the holder thereof to purchase one common share at a price of C\$0.22, for a period of two years following the closing of the Summit Acquisition.

On May 19, 2021, the Company completed the Summit Acquisition, through a wholly-owned subsidiary, Summit Gold Corporation and the Subscription Receipts converted into the equivalent number of common shares. The Company is currently in the process of completing a detailed plan for the re-commencement of mining at the Summit Mine and processing at the Banner crush, mill and floatation plant. In the near term, the Company expects to incur the holding cost of the assets, currently estimated at \$0.1 million per annum, with this cost impacting both the Statement of Earnings and Statement of Cash Flows of the Company.

DISCUSSION OF OPERATIONS

For the three months and year ended December 31, 2021

The following is an analysis of the Company's operating results for the three months ended December 31, 2021 ("Q4 2021") and the year ended December 31, 2021 ("2021").

Operating activity:

Commentary regarding the Company's operating activity during Q4 2021 and 2021 follows:

Mining

Mupane

The following table sets forth certain key mining statistics for the Mupane Property:

		2021					2020				
		Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Mupane (Tau)	Ore (t)	37,928	38,234	42,672	48,207	167,041	64,309	70,837	59,532	67,368	262,046
	Grade (g/t)	1.89	1.95	1.79	1.89	1.88	2.05	2.31	2.58	2.64	2.39
	Waste (t)	5,765	13,202	7,328	9,578	35,873	5,822	10,016	6,464	16,482	38,784
Dinokwe	Ore (t)	23,793	84,704	70,511	40,043	219,051	15,365	21,485	4,283	4,012	45,145
	Grade (g/t)	1.06	1.29	1.56	1.78	1.44	1.79	1.88	1.67	1.37	1.78
	Waste (t)	100,080	271,321	158,937	251,743	782,081	230,174	509,357	241,524	106,870	1,087,925
Golden Eagle	Ore (t)	32,488	42,222	18,589	3,652	96,951	32,182	20,210	-	-	52,392
	Grade (g/t)	1.27	1.36	1.50	1.93	1.38	2.36	2.64	-	-	2.46
	Waste (t)	115,906	250,147	130,953	10,979	507,985	8,162	4,852	-	-	13,014
Low Grade Stockpiles	Ore (t)	15,215	8,553	18,791	46,174	88,733	-	-	12,105	1,527	13,632
	Grade (g/t)	0.73	0.75	0.76	0.65	0.69	-	-	1.44	1.28	1.42
Monarch Slimes Dump / Historic Tailings Dumps	Ore (t)	29,955	19,895	21,793	34,917	106,560	39,687	85,512	83,605	69,465	278,269
	Grade (g/t)	0.71	0.65	0.70	0.89	0.76	0.66	0.73	0.78	1.26	0.87

The Company continued to mine from the Tau deposit at the Mupane Property during Q4 2021, and continued cut mining operations at Dinokwe and at Golden Eagle's Kite pit, and underground operations at Golden Eagle.

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

- **Tau** – In Q4 2021, the Company continued mining in the main reef of the ore body with 37,928 tonnes at 1.89 g/t being mined (three months ended December 31, 2020 (“Q4 2020”) – 64,309 tonnes at 2.05 g/t). The tonnes and grade for Q4 2021 were lower than Q4 2020 with mining activity reduced during Q4 2021 impacted by increasing mine depth. For 2021, 167,041 tonnes at 1.88 g/t were mined compared to 262,046 tonnes at 2.39 g/t for the year ended December 31, 2020 (“2020”). The mined tonnes for 2021, were impacted by the COVID-19 restrictions and increasing mine depth, while the grade decreased as a result of a change in the mining location within the ore body.
- **Dinokwe** – The Company continued mining the small scale open pit mine at Dinokwe, approximately 7 kilometres from the Mupane processing plant. For Q4 2021, mining was focused on stripping operations with 100,080 tonnes of waste mined, and 23,793 tonnes of ore at a grade of 1.06 g/t compared to 230,174 tonnes of waste mined, and 15,365 tonnes of ore at a grade of 1.79 g/t during Q4 2020. For 2021, a total of 782,081 tonnes of waste have been mined, along with 219,051 tonnes of ore at an average grade of 1.44 g/t compared to 1,087,925 tonnes of waste and 45,145 tonnes of ore at an average grade of 1.78 g/t in 2020.
- **Golden Eagle** – During Q4 2021, the Company continued underground mining operations as well as Kite open pit operations at its Golden Eagle property located approximately 26 kilometres from the Mupane Property. Historically an open pit operation, the Company has continued development on an underground portal, and open pit mining during Q4 2021. During Q4 2021, the Company mined 32,488 tonnes at an average grade of 1.27 g/t from the Kite open pit compared to 32,182 tonnes at an average grade of 2.36 g/t during Q4 2020. For 2021, a total of 96,951 tonnes of ore have been mined at an average grade of 1.38 g/t compared to 52,392 tonnes at an average grade of 2.46 g/t in 2020.
- **Monarch and New Zealand** – In Q4 2021, the Company transported 29,955 tonnes at an average grade of 0.71 g/t from New Zealand, (Q4 2020 - 39,687 tonnes at 0.66 g/t from Monarch) with the hauling of New Zealand sands for Q4 2021 lower than the Monarch sands for Q4 2020 due to the New Zealand dump being smaller than Monarch. For 2021, the Company transported 106,560 tonnes at an average grade of 0.76 g/t compared to 278,269 tonnes at an average grade of 0.87 g/t, with the 2021 tonnages lower due to operations scaling down due to depletion of material availability.

In addition, the Company processed ore from its mined low-grade stockpiles, which are located next to the Golden Eagle mine and approximately 26 kilometres from the Mupane Property and Dinokwe. In Q4 2021, the Company processed 15,215 tonnes at an average grade of 0.73 g/t of low-grade ore stockpiles (Q4 2020 – nil) and for 2021, it processed 88,733 tonnes at an average grade of 0.69 g/t (2020 – 13,632 tonnes at 1.42 g/t). The increase in tonnes processed from low grade stockpiles is primarily due to the processing of the new sub-grade material from Dinokwe’s areas 3 and 5.

Galaxy

The following table sets forth certain key mining statistics for the Galaxy Property that entered commercial production on October 1, 2021. No comparatives are presented given Q4 2021 was the first quarter of commercial production.

Ore Source	Q4 2021	
Princeton UG	Ore (t)	10,102
	Grade (g/t)	4.98
	Waste (t)	2,851
Galaxy UG	Ore (t)	8,212
	Grade (g/t)	2.69
	Waste (t)	4,973
Total UG	Ore (t)	18,314
	Grade (g/t)	3.95
	Waste (t)	7,824
Tailings	Ore (t)	3,630
	Grade (g/t)	0.73

The Company continued to mine from the Princeton deposit during Q4 2021. Having delineated the Galaxy deposits footprint on 22 level during Q3 2021, the Company was able to commence stoping in

GALANE GOLD LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

the Galaxy deposit during Q4 2021. Further, the Company re-established the reclamation operation for the remaining OMS slimes dump during Q4 2021.

- Princeton – In Q4 2021, the Company continued mining in the PS5 and PS19 ore bodies with 10,102 tonnes at 4.98 g/t being mined.
- Galaxy – In Q4 2021, the Company established the Galaxy stopes with 8,212 tonnes at 2.69 g/t being mined.
- OMS – In Q4 2021, the Company re-established the reclamation operation with 3,630 tonnes at 0.73 g/t being mined.

Processing

Mupane

The following table sets forth certain key processing statistics at the Mupane Property:

		2021					2020				
		Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Ore milled	t	148,476	196,365	166,161	170,780	681,782	166,087	194,906	157,644	144,853	663,490
Head grade	g/t	1.09	1.26	1.45	1.31	1.27	1.77	1.63	1.52	2.08	1.74
Recovery	%	69.9%	71.3%	77.4%	77.6%	75.4%	75.4%	75.6%	74.0%	70.4%	73.8%
Gold production	oz	3,626	5,691	5,990	5,600	20,906	7,122	7,738	5,691	6,818	27,369

Gold production at Mupane in Q4 2021 was 3,626 ounces compared to 7,122 ounces in Q4 2020. The ore milled for Q4 2021 was 148kt (Q4 2020 – 166kt). The grade in Q4 2021 of 1.09 g/t was below the grade for Q4 2020 of 1.77 g/t due to the feedstock moving from Tau to Golden Eagle underground and Dinokwe open pit mining operations. The recovery for Q4 2021 of 69.9% was below the recovery for Q4 2020 of 75.4% due to the lower head grade and less favourable mineralogy within the ore processed for Q4 2021.

Gold production for 2021 was 20,906 ounces compared to 27,369 ounces for 2020. The ore milled for 2021 of 682kt (2020 – 663kt) was higher predominantly due to the relaxing of the COVID-19 related operating restrictions that impacted operations in Q1 and Q2 2020. The grade for 2021 of 1.27 g/t was below the grade for 2020 of 1.74 g/t and was reflective of the feedstock available. The recovery for 2021 of 75.4% was marginally above the recovery for 2020 of 73.8%.

Galaxy

The following table sets forth certain key processing statistics at the Galaxy Property since commercial production commenced on October 1, 2021. No comparatives are presented given Q4 2021 was the first quarter of commercial production.

PROCESSING		Q4 2021 Actual
Ore Milled	(dry t)	27,933
Ore Grade	(g/t)	3.66
Concentrate Produced	(t)	2,662
Concentrate Grade	(g/t)	32.76
Concentrate	(oz)	2,440

In Q4 2021, the Company processed ore from Princeton, Galaxy and the OMS, with 31,563 tonnes at 3.66 g/t being processed at an overall recovery of 90%.

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

Revenue and earnings from mining operations

Continuing operations - Galaxy

The table below outlines the revenue and earnings from mining operations for the Galaxy property after commercial production commenced effective October 1, 2021, on a total dollar basis, and on a per ounce of gold sold basis:

Galaxy	Q4 2021
Revenue (000)	\$ 2,939
Gold sold (oz. payable)	1,620
Earnings (loss) from mining operations (000)	\$ (430)
Operating cash cost excluding royalties (\$/oz.) ⁽¹⁾	\$ 1,677

(1) Operating cash cost excluding royalties per ounce is a non-GAAP measure. See "Supplemental Information to Management's Discussion and Analysis".

In Q4 2021, the Company generated \$2.9 million in revenue from continuing operations from the sale of 2,160 ounces of contained gold (1,620 oz payable content of 75%) at an average price of \$1,814 per ounce on a payable ounce basis resulting in a loss from mining operations of \$0.4 million. Q4 2021 was the first quarter of commercial production so there is no comparative data from prior quarters.

Discontinued operations – Mupane

The table below outlines the revenue and earnings from mining operations for the Mupane Property on a total dollar basis, and on a per ounce of gold produced basis:

Mupane	Q4 2021	Q3 2021	Q2 2021	Q1 2021	2021
Revenue (000)	\$ 5,390	\$ 11,155	\$ 10,455	\$ 10,070	\$ 37,070
Gold sold (oz.)	3,018	6,212	5,851	5,685	20,766
Earnings (loss) from mining operations (000)	\$ (2,211)	\$ 465	\$ 1,484	\$ 891	\$ 629
Operating cash cost excluding royalties (\$/oz.) ⁽¹⁾	\$ 1,975	\$ 1,578	\$ 1,351	\$ 1,391	\$ 1,532

Mupane	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2020
Revenue (000)	\$ 14,293	\$ 14,927	\$ 10,375	\$ 9,474	\$ 49,069
Gold sold (oz.)	7,664	7,974	6,046	6,105	27,789
Earnings from mining operations (000)	\$ 4,798	\$ 3,537	\$ 1,980	\$ 871	\$ 11,186
Operating cash cost excluding royalties (\$/oz.) ⁽¹⁾	\$ 1,092	\$ 1,082	\$ 1,065	\$ 1,037	\$ 1,070

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

In Q4 2021, the Mupane Property generated \$5.4 million in revenue from the sale of 3,018 ounces of gold at an average price of \$1,786 per ounce resulting in a loss from mining operations of \$2.2 million. This compares to \$14.3 million in revenue from the sale of 7,664 ounces of gold plus incidental silver at an average combined price of \$1,865 per ounce and earnings from mining operations of \$4.8 million in Q4 2020.

The reason for the change in earnings from mining operations from Q4 2021 to Q4 2020 is a result of several factors:

- Gold sales for Q4 2021 were 4,646 ounces less than in Q4 2020. The impact of the decreased ounces sold was compounded by a decrease in the average gold price achieved of \$79 per ounce, resulting in an overall revenue decrease of \$8.9 million compared to Q4 2020.
- Mining costs in Q4 2021 were \$2.9 million compared to \$3.6 million in Q4 2020 for discontinuing operations, with the decrease being due to lower tonnes being mined.
- Processing costs in Q4 2021 were \$2.9 million compared with \$3.7 million in Q4 2020 with the decrease being attributable to cost saving initiatives.
- General and administration costs in Q4 2021 were \$0.9 million compared to \$1.1 million in Q4 2020.
- Depreciation and amortization expense was \$0.8 million in Q4 2021 compared to \$1.0 million in Q4 2020.

As a result of the above factors the operating cash cost per ounce excluding royalties in Q4 2021 was \$1,975 compared to \$1,092 per ounce in Q4 2020.

An impairment loss of \$5.7 million was recorded against the Mupane Property which represents the excess of the Mupane Property's net asset carrying value above the fair value of the disposal consideration.

For 2021, Mupane generated \$37.1 million in revenue from the sale of 20,766 ounces of gold plus incidental silver at an average combined price of \$1,785 per ounce, generating a loss from mining operations of \$0.6 million. This compares to \$49.1 million in revenue from the sale of 27,789 ounces of gold plus incidental silver at an average combined price of \$1,766 per ounce generating earnings from mining operations of \$11.2 million for 2020.

The reason for the change in earnings from mining operations for 2021 to 2020 is a result of several factors:

- Gold sales for 2021 were 7,023 ounces less than 2020 resulting in an overall revenue decrease of \$12.0 million compared to 2020. The average realized gold price was \$19 per ounce higher in 2021 than 2020.
- Mining costs for 2021 were \$13.9 million compared to \$13.1 million for 2020. The increase in mining costs is due to a decrease in tonnes from low cost ore sources, being low-grade stockpile and slimes reclamation, with 195kt for 2021 compared to 292kt for 2020 from low-grade stockpiles and slimes.
- Processing costs for 2021 were \$16.2 million compared to \$15.7 million for 2020. The tonnes milled increased from 663,490 tonnes for 2020 to 681,782 tonnes for 2021 with costs also increasing more than proportionately due to the reduction in feed tonnes from slimes/tailings which are associated with lower reagent and grinding media consumption.
- General and administration costs for 2021 were \$3.4 million, largely consistent with 2020 spend of \$3.6 million.
- Depreciation and amortization expense was \$2.9 million for 2021 compared to \$5.5 million for 2020, with the reduction due to lower rates of depletion.

As a result of the above factors the operating cash cost per ounce excluding royalties for 2021 was \$1,532 compared to \$1,070 per ounce for 2020.

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

Results

The Company's earnings (loss) comprised of:

	Q4 2021	2021	Q4 2020	2020
Earnings (loss) from mining operations	(429,664)	(429,664)	-	-
Corporate general and administrative costs	(29,230)	(1,944,653)	(353,003)	(1,848,726)
Stock-based compensation	(5,967)	(40,362)	(47,505)	(222,134)
Foreign exchange gain (loss)	66,227	498,211	148,051	914,230
Interest on long term debt	(61,868)	(245,457)	(51,060)	(185,763)
Other financing costs	(139,800)	3,555,885	47,437	(4,082,034)
Galaxy on-going costs	-	(1,194,519)	(406,791)	(1,146,275)
Expected credit loss – other receivables	-	-	(83,286)	(83,286)
Other income (expenses)	571,598	495,849	(24,912)	(109,548)
Impairment (discontinuing operations)	(5,707,850)	(5,707,850)	-	-
Discontinuing operations	(1,527,016)	1,059,349	4,748,011	11,197,564
Net earnings (loss) for the period	\$ (7,263,570)	\$ (3,953,211)	\$ 3,976,942	\$ 4,434,028

Other financing income was \$3.6 million for 2021 compared to a loss of \$4.0 million in 2020 primarily due to the revaluation of the warrants denominated in foreign currency.

Other income of \$0.5 million for 2021 was impacted by a \$0.6 million write off of previously accrued value-added tax.

Corporate general and administration costs are comprised of the following:

	Q4 2021	2021	Q4 2020	2020
Professional fees	\$ (49,589)	\$ 595,344	\$ 189,371	\$ 724,243
Management fees to officers	(42,830)	661,068	(10,628)	415,558
Investor relations	2,067	172,409	64,223	199,967
Corporate general and administration	119,582	515,832	110,037	508,958
	\$ 29,230	\$ 1,944,653	\$ 353,003	\$ 1,848,726

The negative costs for professional fees and management fees to officers in Q4 2021 are due to reversals of over accruals during the year, specifically with respect to the bonus provision.

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

SUMMARY OF FINANCIAL POSITION

Selected Consolidated Statement of Financial Position Data:

	December 31, 2021 \$	September 30, 2021 \$	June 30, 2021 \$	March 31, 2021 \$
Total current assets	20,128,111	10,002,431	10,033,315	9,408,535
Total current liabilities	23,120,657	23,037,895	23,127,606	24,035,650
Working capital	(2,992,546)	(13,035,464)	(13,094,291)	(14,627,115)
Non-current assets	38,657,539	56,312,631	56,276,476	44,285,857
Non-current liabilities	3,974,121	6,978,125	10,733,544	6,200,674
Total shareholders' equity	31,690,872	36,299,042	32,448,641	23,458,068

	December 31, 2020 \$	September 30, 2020 \$	June 30, 2020 \$	March 31, 2020 \$
Total current assets	11,560,086	12,296,919	10,107,858	7,766,249
Total current liabilities	23,996,806	21,404,293	23,274,143	21,098,020
Working capital	(12,436,720)	(9,107,374)	(13,166,285)	(13,331,771)
Mining assets	42,586,905	39,535,357	38,355,067	38,867,449
Non-current liabilities	6,335,755	10,638,000	10,864,398	10,898,590
Total shareholders' equity	23,814,430	19,789,983	14,324,384	14,637,088

As at the end of Q4 2021, there was a working capital deficiency of \$3.0 million, a reduction of \$10.0 million from the end of Q3 2021. The reduction in working capital deficiency was mainly due to a reclass of property, plant and equipment assets totaling \$12.5 million to current assets held for sale, and a reduction in current liabilities of \$0.9 million partly offset by a reclassification of non-current liabilities of \$2.6 million to current liabilities held for sale.

As at the end of Q4 2021, non-current liabilities reduced by \$3.0 million from Q3 2021 predominantly due to the reclassification of the Mupane asset retirement obligation.

Total shareholders' equity in Q4 2021 reduced by \$4.6 million predominantly due to the impairment of \$5.7 million recognized on the assets held for sale.

As at the end of 2021, there was a working capital deficiency of \$3.0 million, a decrease of \$9.4 million from the year ended December 31, 2020. The reduction in working capital deficiency was mainly due to a reclass of property, plant and equipment assets totaling \$12.5 million to current assets held for sale.

For 2021, non-current liabilities decreased by \$2.4 million, with a decrease of \$2.6 million associated with the reclass of the Mupane ARO to liabilities held for sale offset by an increase in the Galaxy ARO by \$0.3 million.

Total shareholders' equity for 2021 increased by \$7.9 million primarily due to increased share capital of \$11.9 million following the 2021 Private Placement and debenture conversion offset by the losses for the

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

year totaling \$4.0 million.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company defines capital as consisting of shareholders' equity, being made up of issued capital stock, contributed surplus and deficit and long-term debt. The Company's objectives when managing capital are primarily to support the creation of shareholder value, but also to ensure that the Company is able to meet its financial obligations as they become due. The Company has not declared or paid any dividends on its common shares.

In order to fund the business activities intended in its current business plan, management expects that the Company's Galaxy mining operations, now that it is in commercial production, will begin to provide positive cash flow from its operations that is sufficient to support its corporate expenses and Galaxy capital expenditure requirements, subject to the Going Concern commentary below related to the current uncertain impact of COVID-19 on the operating environment. As described above under "Summary of Financial Position", at December 31, 2021, the Company had a working capital deficiency of \$3.0 million and generated cash flows from operations of \$4.6 million for the year ended December 31, 2021.

The Company's officers and senior management take full responsibility for managing the Company's capital and do so through monthly meetings and regular review of financial information. The Company's Board of Directors is responsible for overseeing this process.

Going Concern

The Financial Statements were prepared using international financial reporting standards that are applicable to a going concern.

As at December 31, 2021, the Company had a working capital deficiency (current assets less current liabilities) of \$3.0 million compared to a deficiency of \$12.4 million at December 31, 2020. This increase is largely driven by the reclassification of property, plant and equipment held for sale to current assets as required by IFRS 5.

The working capital deficiency includes deferred royalties of \$5.1 million classified as a current liability held for sale. During 2020, the Company entered into discussions with the Government of Botswana to reschedule the repayment of the outstanding balance, however, the discussions were put on hold while the government dealt with the COVID-19 pandemic, and these discussions have not yet concluded.

Losses from continuing mining operations were \$0.4 million (earnings from discontinuing mining operations were \$0.6 million) for the year ended December 31, 2021. Cashflow from continuing operating activities was negative \$1.3 million (cashflow from discontinuing operating activities of \$5.9 million) for the year ended December 31, 2021. The Company has no material commitments for capital expenditures at the Mupane or Galaxy mine as of December 31, 2021.

The current commodity price and exchange rate environment can be volatile, which may have an impact on the Company's cash flows. Despite the higher gold price currently being realized, the Company continues to review its near-term operating plans and to take steps to reduce costs and maximize cash flow generated from operations.

The Company's financial position, as well as the uncertainties around any future impact of a worsening of the COVID-19 pandemic result in material uncertainties that give rise to significant doubt as to the ability of the Company to continue as a going concern. Because of these uncertainties, there can be no assurance that the measures that management is taking to mitigate the Company's liquidity position will be successful.

The Financial Statements do not reflect adjustments to the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

course of operations. Such adjustments could be material.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Company's selected quarterly information for each of the eight most recently completed quarters:

	Three months ended			
	December 31, 2021 \$	September 30, 2021 \$	June 30, 2021 \$	March 31, 2021 \$
Revenue	2,938,697	-	-	-
Total mining costs	(3,368,361)	-	-	-
Non-mining (expenses) earnings	400,960	2,881,098	(1,151,455)	(1,259,450)
Earnings (loss) from discontinuing operations	(7,234,866)	465,200	1,484,410	890,559
Earnings (loss)	(7,263,570)	3,346,298	332,955	(368,891)
Earnings (loss) per share				
- Basic	(0.03)	0.01	0.00	(0.00)
- Diluted	(0.03)	0.01	0.00	(0.00)
Total assets at end of quarter	57,584,600	66,315,062	66,309,791	53,694,392
Total liabilities at end of quarter	27,094,778	30,016,020	33,861,150	30,236,324
Total equity at end of quarter	30,489,822	36,299,042	32,448,641	23,458,068

	Three months ended			
	December 31, 2020 \$	September 30, 2020 \$	June 30, 2020 \$	March 31, 2020 \$
Revenue	-	-	-	-
Total mining costs	-	-	-	-
Non-mining (expenses) earnings	(821,267)	(4,348,516)	(2,370,808)	788,876
Earnings (loss) from discontinuing operations	4,798,209	3,536,779	1,980,054	870,700
Earnings (loss)	3,976,943	(811,737)	(390,754)	1,659,576
- Earnings (loss)	0.02	(0.00)	(0.00)	0.01
- Diluted	0.02	(0.00)	(0.00)	0.01
Total assets at end of quarter	54,146,991	51,832,276	48,462,925	46,633,698
Total liabilities at end of quarter	30,332,561	32,042,293	34,138,541	31,996,610
Total equity at end of quarter	23,814,430	19,789,983	14,324,384	14,637,088

Notes:

- (1) Information for all periods is presented in accordance with IFRS applicable to interim financial reporting and in U.S. dollars.
(2) Prior period information has been restated to treat the Mupane Property as a discontinued operation.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, trade and other receivables, accounts payable and accrued liabilities, interest bearing loans and borrowing, and warrants denominated in foreign currencies. The fair value of the Company's trade and other receivables, and accounts payable and accrued liabilities

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

approximate their carrying value. The Company's other financial instruments, specifically interest bearing loans and borrowings are recorded at amortized cost using the effective interest rate method.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. The credit risk related to the trade receivable is considered minimal as gold and gold concentrate is sold to creditworthy major banks and offtake partners and settled promptly, usually within the following month, and the other receivable balance consists of amounts outstanding on tax credits from governmental authorities, each of which are expected to be paid in the near term at face value. Management believes that the Company's exposure to credit risk is minimal.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to try to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2021, the Company had current assets of \$20.1 million (December 31, 2020 - \$11.6 million) to settle current liabilities of \$23.1 million (December 31, 2020 - \$24.0 million). See "Liquidity and Capital Resources" section for further commentary on the Company's liquidity risks.

Interest risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in market risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's operations are in Botswana, South Africa and Canada and its presentation currency is U.S. dollars. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currencies, including the Botswana Pula, the South African Rand and Canadian Dollars. The operating results and the financial position of the Company are reported in U.S. dollars. The fluctuations of the operating currencies in relation to the U.S. dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company monitors the volatility of foreign exchange rates and will hedge its currency risk if it determines that the need arises.

Market risk is the risk that the fair values of financial instruments or that the Company's future cash flows will fluctuate because of changes in market commodity rates. The Company's efforts are currently focused on the production of gold. As such, the Company's future cash flows and valuation of its mineral assets will be exposed to market risk on the price fluctuations of gold as a commodity.

ISSUED AND OUTSTANDING SHARE CAPITAL

The Company's authorized capital consists of an unlimited number of common shares, of which 356,366,541 common shares are issued and outstanding as of the date of this MD&A.

The Company adopted a stock option plan (the "Option Plan"). Under the terms of the Option Plan, officers, directors, employees and consultants are eligible to receive grants of stock options to purchase common shares for a period of up to ten years from the date of grant, provided that the number of common shares reserved for issuance may not exceed 10% of the total issued and outstanding common shares at the date of the grant. As of the date of this MD&A, subject to the terms of the Option Plan, options to purchase up to 5,500,000 common shares are outstanding and options to purchase up to 30,136,654 common shares are available for grant.

The Company adopted a share purchase plan ("SPP") on June 12, 2012. Under the terms of the SPP, each participating officer, director, or employee that has been employed with the Company or its subsidiaries for at least six months is entitled to receive the matching number of common shares acquired pursuant to the SPP at no cost to such officer, director or employee. Subject to certain conditions, such deferred matching shares will be issued to the participating officers, directors or employees over a three-year period following the date of the purchase of the qualifying shares. As of the date of this MD&A, no deferred matching shares are owed to the participating officers, directors and employees of the Company.

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

The Company has adopted a deferred share unit plan (the "DSU Plan"). Subject to adjustment in certain circumstances, the maximum aggregate number of common shares that may be reserved for issuance pursuant to the DSU Plan is 13,262,888 common shares. As of the date of this MD&A, subject to the terms of the DSU Plan, participating officers, directors, employees and consultants of the Company may be issued an aggregate of up to 7,170,046 common shares pursuant to outstanding deferred share units awarded under the DSU Plan and 1,125,782 common shares have been issued under the DSU Plan.

As of the date of this MD&A, the Company has (a) 60,028,700 common share purchase warrants, exercisable at C\$0.30 per common share until May 19, 2024 outstanding and (b) 3,048,602 common share purchase warrants, exercisable at C\$0.22 per common share until May 19, 2023 outstanding.

DEBENTURES

As part of the acquisition of the Galaxy Property in 2015, the Company issued approximately \$2.4 million aggregate principal amount of unsecured convertible debentures (the "Galaxy Debentures") to settle outstanding debt or contractual obligations owed by Galaxy Gold Mining (Pty) Limited (formerly Galaxy Gold Mining Limited, "Galaxy") and its subsidiary Galaxy Gold Reefs (Pty) Ltd. The original terms of the Galaxy Debentures were: (i) to mature on November 20, 2019, (ii) to bear 4% interest per annum, accrued and paid at maturity, (iii) to allow conversion of the principal at the option of the holder into common shares at a price of C\$0.58⁽¹⁾ per common share, based on a pre-determined exchange rate of \$1.00: C\$1.30, and (iv) to allow conversion of the interest at the option of the holder into common shares, based on a pre-determined exchange rate of \$1.00: C\$1.30, at a price per common share equivalent to the greater of C\$1.00 and the Discounted Market Price (as defined by the Exchange) at the time of conversion, subject to acceptance of the Exchange. On September 27, 2019, the Company prepaid \$728,000 of principal amount of the Galaxy Debentures. On September 30, 2019, the Company entered into an agreement with a requisite percentage of Galaxy Debenture holders to amend certain terms of the Galaxy Debenture. Under the terms of the amended Galaxy Debentures: (i) the maturity date is extended to November 20, 2021, (ii) the principal is convertible at the option of the holder into common shares at a price of C\$0.20 per common share, at a pre-determined exchange rate of \$1.00:C\$1.30, (iii) the interest is convertible at the option of the holder into common shares, based on a pre-determined exchange rate of \$1.00: C\$1.30, at a price per common share equivalent to the greater of C\$0.20 and the Discounted Market Price (as defined by the Exchange) at the time of conversion, subject to acceptance of the Exchange, and (iv) the Company has the right of forced conversion with respect the principal if the trading price of the common shares exceeds C\$0.20 for 10 consecutive trading days. On December 15, 2019, the Company prepaid an additional \$838,486 of the principal and \$12,517 of the interest on the Galaxy Debenture.

In addition, on March 29, 2016, the Company announced that it and its subsidiary, Galaxy, entered into a full and final settlement agreement with Traxys Europe SA, Mine2Market S.à.r.l. and certain others (collectively the "Traxys parties") with respect to various outstanding claims arising from the time period when the Traxys parties operated Galaxy's mining operations. In connection with the settlement, the Traxys parties settled their claim for \$4.3 million of indebtedness in exchange for the issuance by the Company of an unsecured convertible debenture of approximately \$3.2 million in aggregate principal (the "Traxys Debenture"). On June 29, 2018, the Company entered into an agreement with applicable Traxys parties to replace the existing Traxys Debenture with an amended and restated debenture (the "A&R Debenture"). Under the terms of the A&R Debenture: (i) the principal is repayable on November 20, 2021 and is convertible at the option of the holder into common shares at a price of C\$0.15 per common share, based on a pre-determined exchange rate of \$1.00:C\$1.35; (ii) interest is convertible at the option of the holder into common shares, based on a pre-determined exchange rate of \$1.00:C\$1.35, at a price equivalent to the greater of C\$0.15 and the Discounted Market Price (as defined in the policies of the Exchange) at the time of conversion; (iii) the Company has a right of forced conversion with respect to the principal where the trading price of the common shares exceeds C\$0.15 for 10 consecutive trading days; (iv) commencing January 1, 2018, interest for a calendar year will be due and payable on March 31 of the subsequent year, with the first such payment being due on March 31, 2019. The first payment of interest under the rescheduled agreement was made in April 2019.

On May 27, 2021, a debenture holder converted (i) \$600,000 of principal amount of Traxys Debenture into 5,400,000 common shares at a price of C\$0.15 per common share and at a pre-determined exchange

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

rate of \$1.00:C\$1.35 and (ii) \$29,195 of interest payable on such principal into 210,200 common shares at a price of C\$0.1875 per common share, being the Discounted Market Price as of the date of the notice of conversion, and at a pre-determined exchange rate of \$1.00:C\$1.35.

On June 16, 2021, the Company exercised its right to force the conversion of (i) \$834,350 of principal amount of Galaxy Debenture into 5,423,275 common shares at a price of C\$0.20 per common share and at a pre-determined exchange rate of \$1.00:C\$1.30 and (ii) \$199,186 of interest payable on such principal into 1,294,709 common shares at a price of C\$0.20 per common share and at a pre-determined exchange rate of \$1.00:C\$1.30.

On November 11, 2021, the Company exercised its right to force conversion of \$2,649,433 of principal amount of Traxys Debenture into 23,844,897 common shares at a price of C\$0.15 per common share and at a pre-determined exchange rate of \$1.00:C\$1.35.

As of the date of this MD&A, no Galaxy or Traxys Debentures remain outstanding.

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2021, no related party transactions occurred.

During the year ended December 31, 2020, the following related party transactions were entered into:

On August 13, 2020, the Company entered into loan agreements (the "Executive Loans") with its CEO, COO and CFO (the "Executives") as partial compensation for the services provided by the Executives in 2019. The loans are non-interest bearing, non-recourse loans with a term of three years. Pursuant to the terms of the loan agreements, the Executives used the proceeds of the loans to exercise 4,563,000 common share purchase warrants, exercisable at C\$0.05 per common share held by the Executives. The shares issued to the Executives on exercise of the 2018 Warrants are held by the Company as security for the outstanding loan balance. The loan receivable balance at December 31, 2021 is \$172,481. See "Subsequent Events" below.

COMMITMENTS

As at the date of this MD&A, the Company did not have any commitments.

OFF-BALANCE SHEET ARRANGEMENTS

Other than the low value operating lease arrangements not recognized on the initial adoption of the revised IFRS 16 Leases, the Company currently has no off-balance sheet arrangements.

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

SUPPLEMENTAL INFORMATION TO MANAGEMENT'S DISCUSSION AND ANALYSIS

CASH COSTS

The Company's MD&A refers to operating cash cost excluding royalties per ounce, a non-GAAP performance measures, in order to provide investors with information about measures used by management to monitor performance. Management of the Company uses this information to assess how well the producing gold mines are performing compared to plan and prior periods, and also to assess the overall effectiveness and efficiency of gold mining operations. Cash cost figures are calculated in accordance with a standard developed by the Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is still an accepted standard of reporting cash costs of gold production in North America. Adoption of the standard is voluntary, and the cost measures presented herein may not be comparable to other similarly titled measures of other companies. Cash cost includes mine site operating costs such as mining, processing, administration, but are exclusive of impairment, amortization, reclamation, and exploration and development costs. Operating cash cost is the total cash cost less those costs capitalized as attributable to the removal of excess waste in developing new resources. These costs are then divided by the Company's ounces of gold produced to arrive at the cash cost measures on a per ounce basis. These measures, along with sales, are considered to be key indicators of a company's ability to generate operating earnings and cash flow from its mining operations. These measures of cash costs do not have any standardized meaning prescribed by IFRS and differ from measures determined in accordance with IFRS. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of net earnings or cash flow from operations as determined under IFRS.

The following tables provide a reconciliation of cash cost measures for the Company's mines to the mining costs excluding impairment, depreciation and amortization reflected in the Financial Statements.

Mupane Property

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	2021
Mining costs excluding impairment, depreciation and amortization	\$ 6,764,939	\$ 10,076,574	\$ 8,471,367	\$ 8,242,418	\$ 33,555,298
Adjust for:					
Inventory movement	665,561	(537,231)	150,932	56,928	336,190
Total operating cash cost	\$ 7,430,500	\$ 9,539,343	\$ 8,622,299	\$ 8,299,346	\$ 33,891,488
Royalties	(272,291))	(558,887)	(529,905)	(507,591)	(1,868,674)
Total operating cash cost excluding royalties	\$ 7,158,209	\$ 8,980,456	\$ 8,092,394	\$ 7,791,755	\$ 32,022,814
Gold production (ounces)	3,626	5,691	5,990	5,600	20,906
Total operating cash cost excluding royalties per oz.	\$ 1,975	\$ 1,578	\$ 1,351	\$ 1,391	\$ 1,532

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2020
Mining costs excluding impairment, depreciation and amortization	\$ 8,490,051	\$ 9,770,640	\$ 6,889,365	\$ 7,215,634	\$ 32,365,690
Adjust for:					
Inventory movement	1,840	(640,376)	(304,234)	339,922	(602,848)
Total operating cash cost	\$ 8,491,891	\$ 9,130,264	\$ 6,585,131	\$ 7,555,556	\$ 31,762,842
Royalties	(717,397)	(756,174)	(523,194)	(484,419)	(2,481,184)
Total operating cash cost excluding royalties	\$ 7,774,494	\$ 8,374,090	\$ 6,061,937	\$ 7,071,137	\$ 29,281,658
Gold production (ounces)	7,122	7,738	5,691	6,818	27,369
Total operating cash cost excluding royalties per oz.	\$ 1,092	\$ 1,082	\$ 1,065	\$ 1,037	\$ 1,070

GALANE GOLD LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2021

Galaxy Property

	Q4 2021
Mining costs excluding impairment, depreciation and amortization	\$ 2,635,002
Adjust for:	
Inventory movement	163,994
Total operating cash cost	\$ 2,798,996
Royalties	(82,360)
Total operating cash cost excluding royalties	\$ 2,716,636
Gold production (ounces payable)	1,620
Total operating cash cost excluding royalties per oz.	\$ 1,677

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company is responsible for designing internal controls over financial reporting or causing them to be designed under the supervision of the CEO and CFO in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of an Exchange issuer to design and implement on a cost effective basis disclosure controls and procedures as well as internal controls over financial reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

There are a number of risk factors that could cause future results to differ materially from those described herein. A discussion of the principal risk factors relating to the Company's operations and business appear in the Company's annual information form for the year ended December 31, 2021, which may be viewed on the Company's SEDAR profile at www.sedar.com. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's annual information form for the year ended December 31, 2021, can be found on the Company's SEDAR profile at www.sedar.com.

SUBSEQUENT EVENTS

In February 2022, the Company settled C\$118,482 of the Executive Loans with certain Executives in exchange for the forfeiture of certain vacation days owing to the Executives.